



Setting Up A National Oil Company in Timor-Leste Workshop

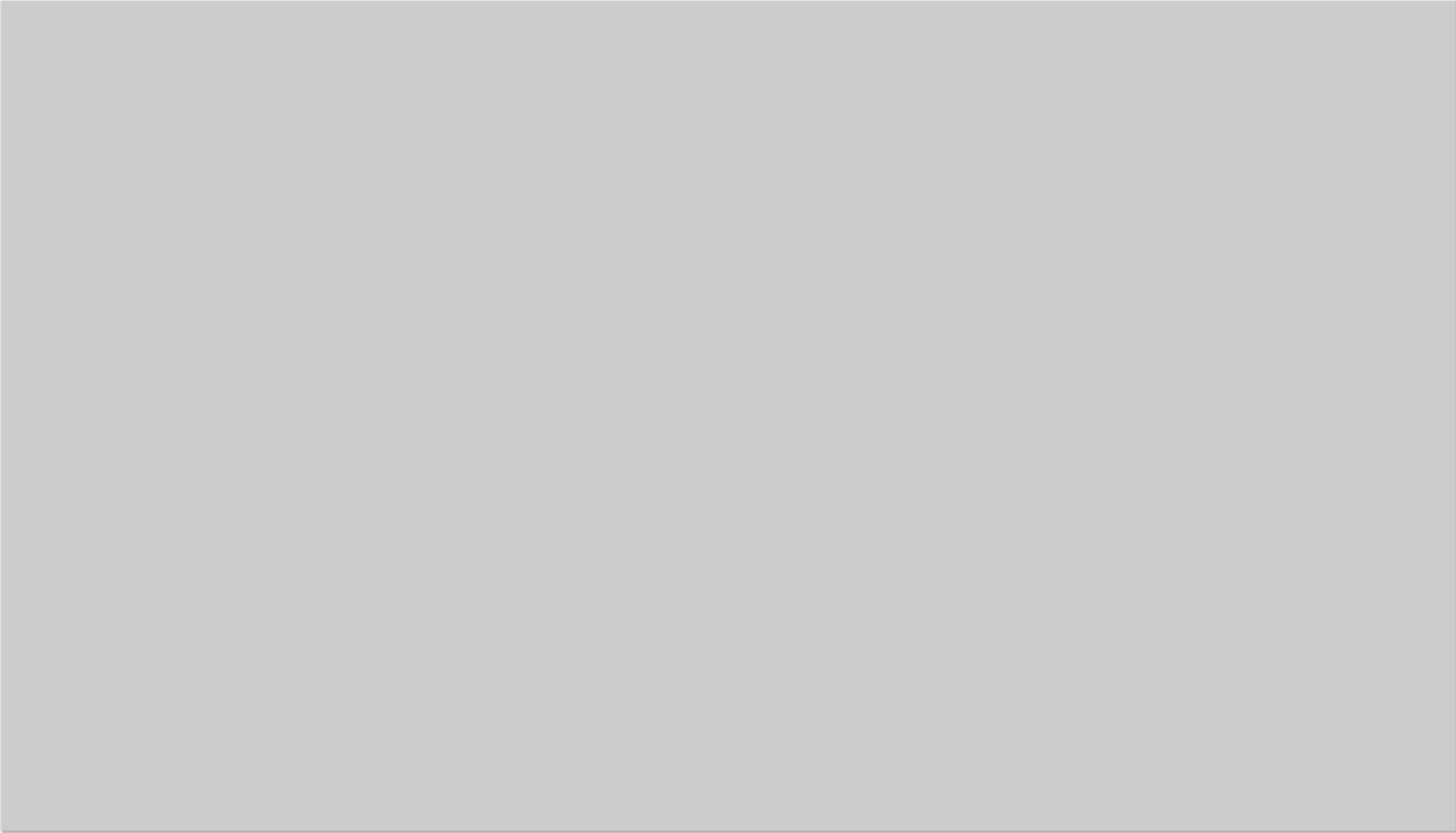
PTT's Experience in Listing An NOC
Dili, Timor-Leste
May 28 – 29, 2009



AGENDA

- **Introduction to Thailand**
- **Introduction to PTT**
- **Lesson Learned of Listing an NOC**

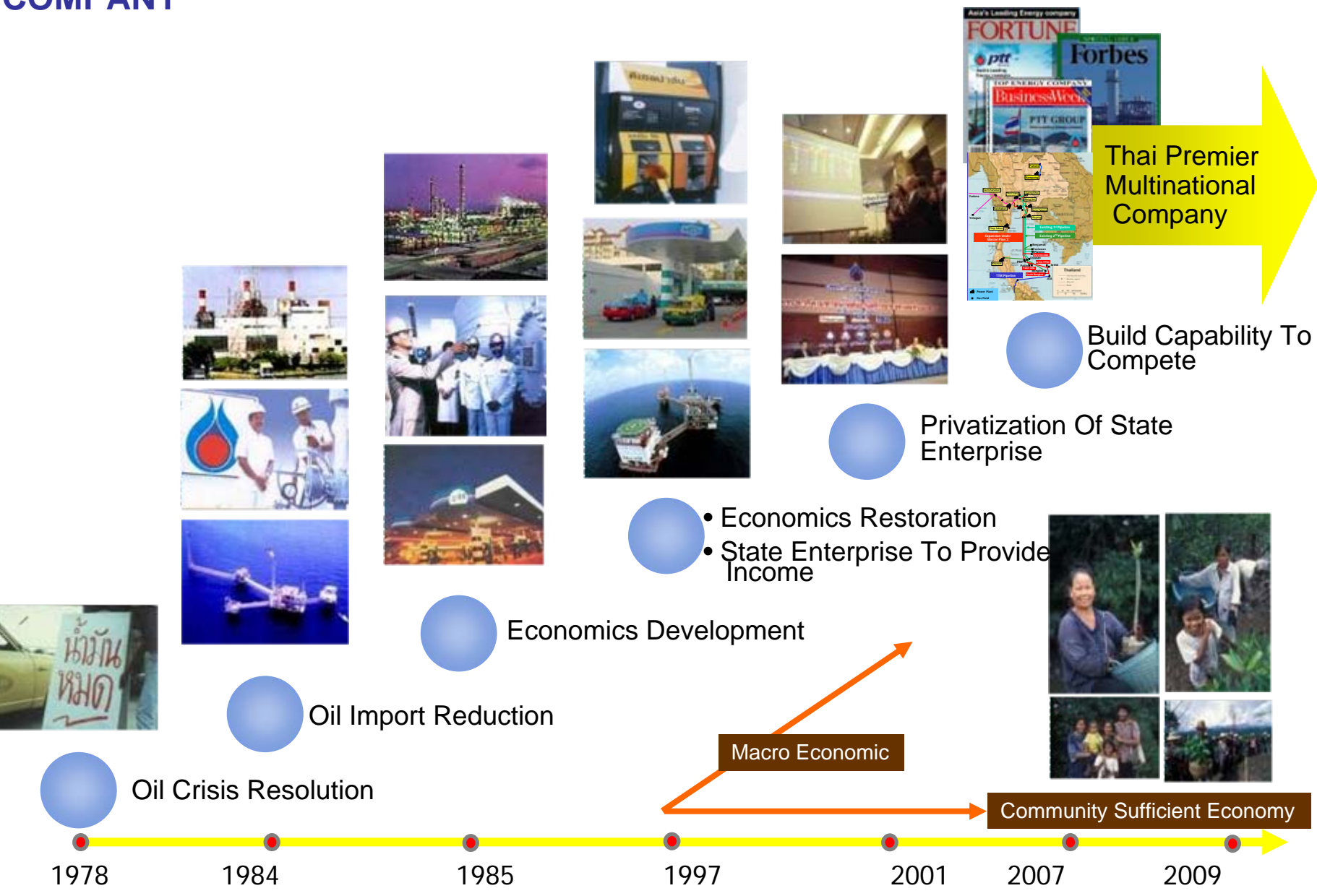
ABOUT THAILAND



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- Introduction to Thailand
- Introduction to PTT
- Lesson Learned of Listing an NOC

FROM NATIONAL ENERGY COMPANY TO PREMIER MULTINATIONAL COMPANY



Thai Premier Multinational Company

Build Capability To Compete

Privatization Of State Enterprise

Economics Restoration
State Enterprise To Provide Income

Economics Development

Oil Import Reduction

Oil Crisis Resolution



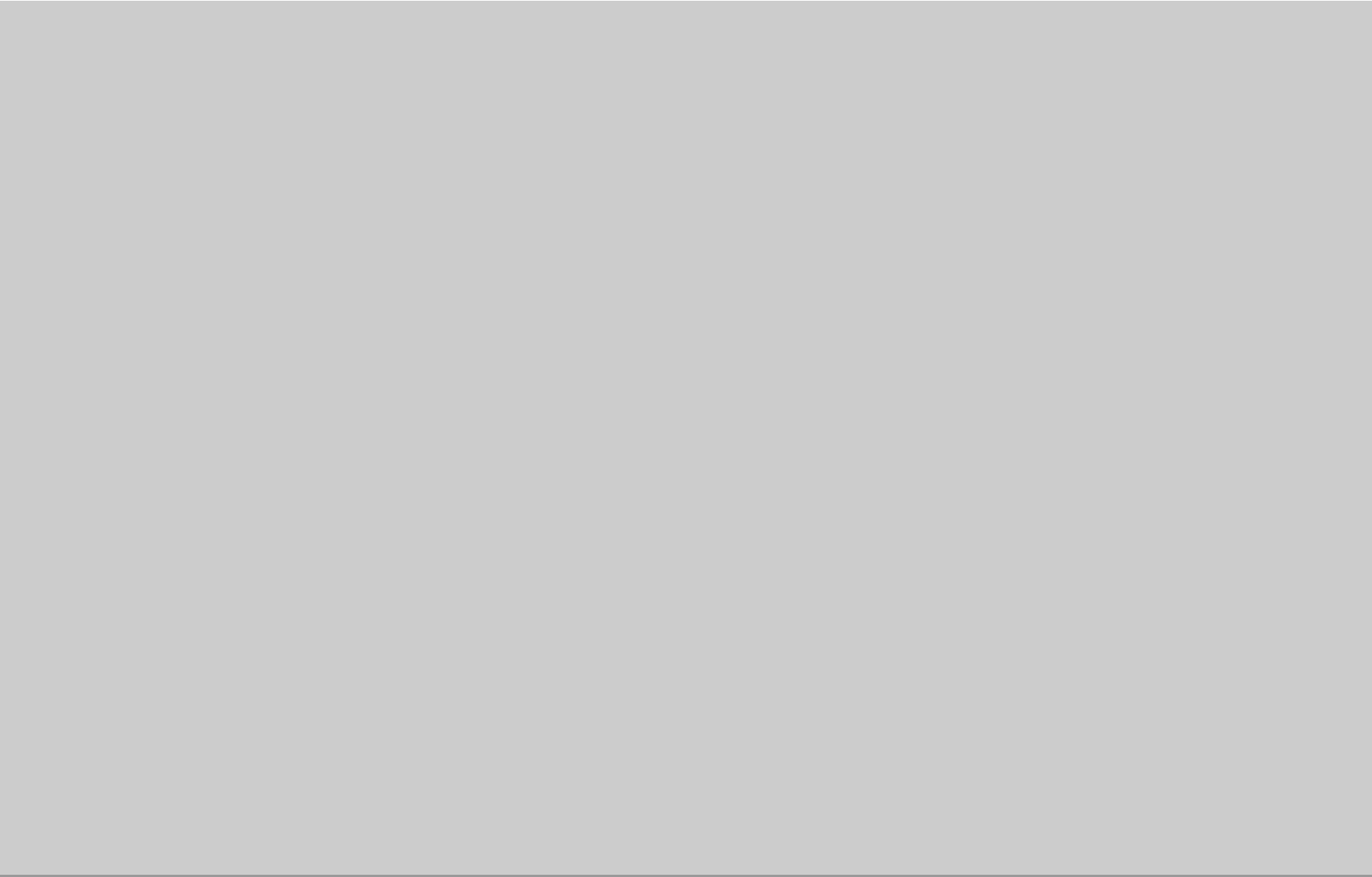
PTT GROUP'S HYDROCARBON VALUE CHAIN



PTT GROUP UPSTREAM BUSINESS



PTT GROUP MIDSTREAM BUSINESS



PTT GROUP MIDSTREAM BUSINESS





PTT GROUP REFINING BUSINESS



PTT'S STRATEGIC IMPORTANCE TO THE THAI ECONOMY

Ownership : Ministry of Finance 'Direct and Indirect' ~ 67%, Public ~ 33%



PTT GROUP RECOGNITION: CONFIDENCE & CREDIBILITY

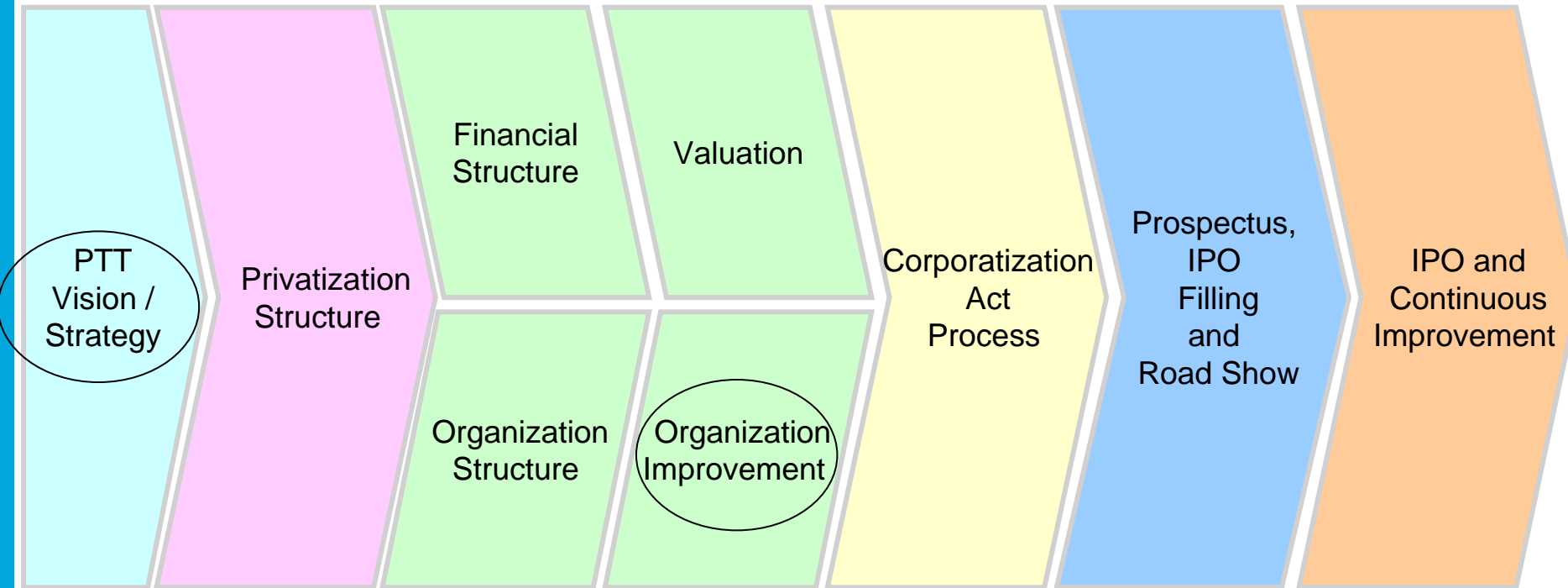
PTT is widely recognized among business community both local and international



AGENDA

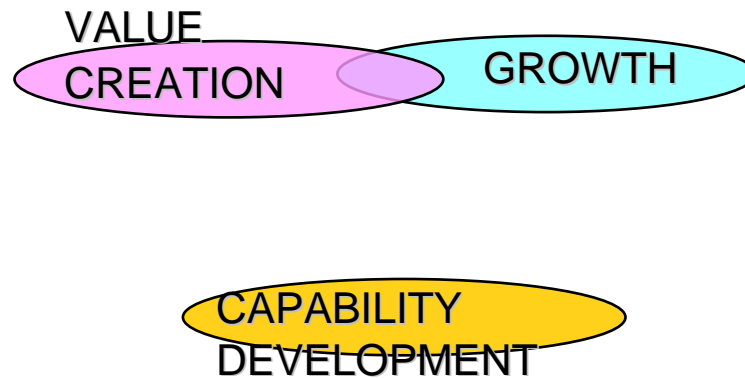
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PTT GROUP: INITIAL PUBLIC OFFERING PREPARATION PROCESS



CRITICAL CHANGE: STRATEGIC DIRECTIONS

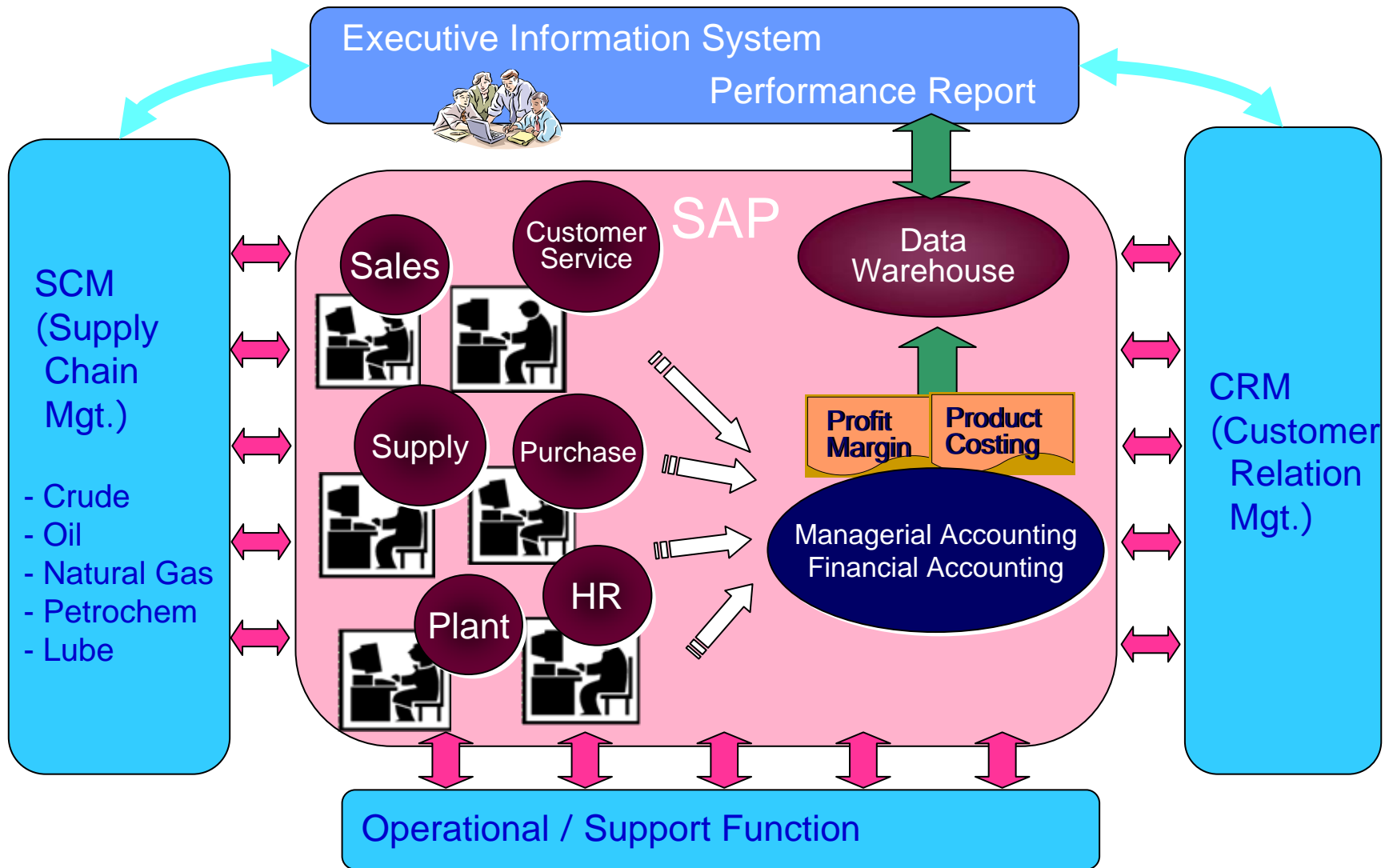
- Financial Engineering/ Management – Lower WACC, Optimize D/E
- Portfolio Management
- Synergy – Lower Cost
- QSHE – High Standards
- Procurement Efficiency
- Development Capability



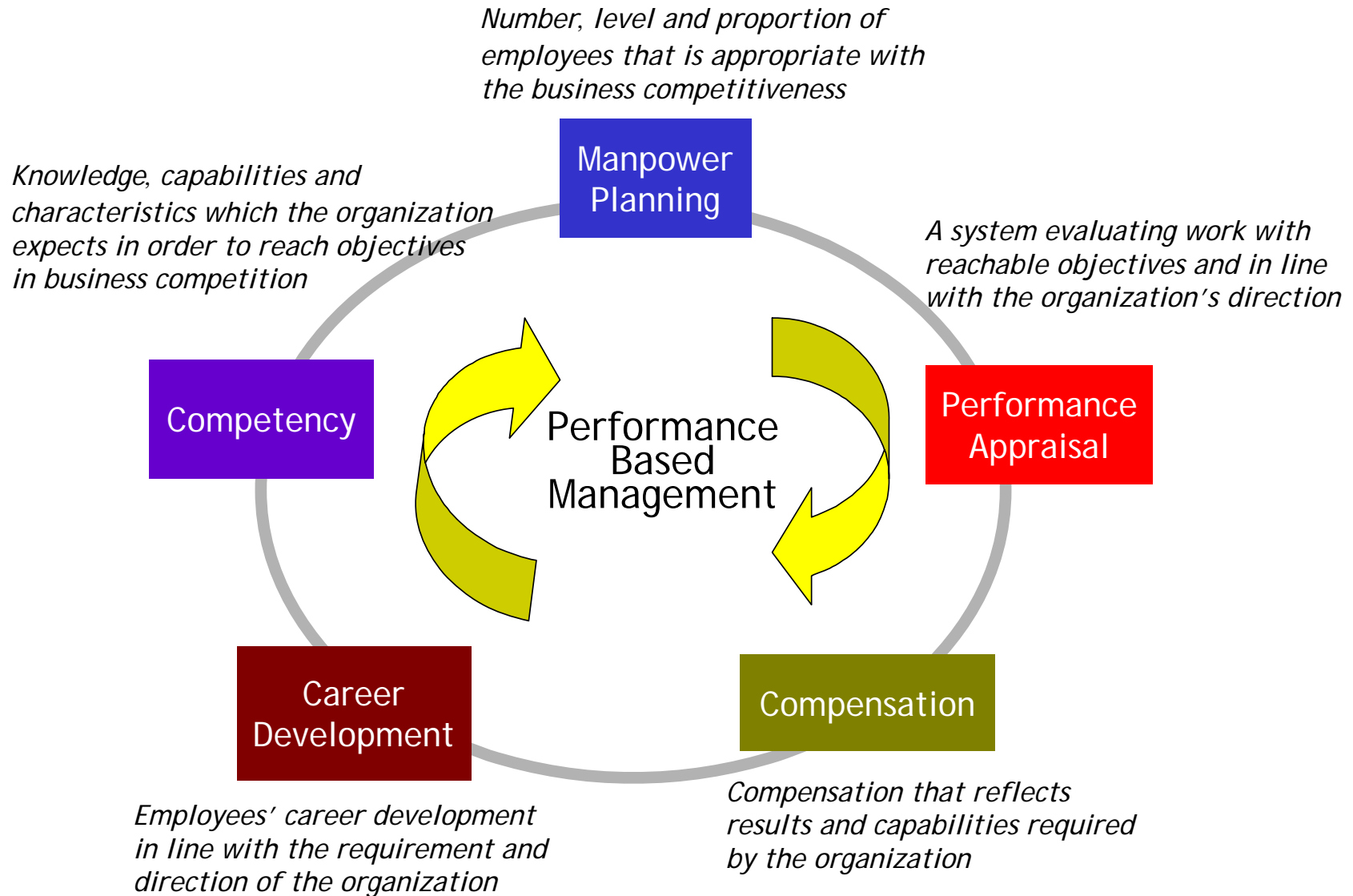
- HR Competency
- Culture – Trust and Commitment
- Commercial and Marketing Capability
- Performance Management System
- Boundaryless Organization
- Organization Structure for International Expansion
- Negotiation Capability

- New Venture Capability
- Exploration Capability
- Alignment with PTT/EGAT/Government
 - LNG Linked E&P
 - Imported Pipe Gas E& P
 - Asset M&A
- R&D
- Monitoring and Alert System

CRITICAL CHALLENGE: CAPABILITY MANAGEMENT TOOLS



CRITICAL CHALLENGE: HUMAN RESOURCE DEVELOPMENT



CRITICAL CHALLENGE: RISK MANAGEMENT

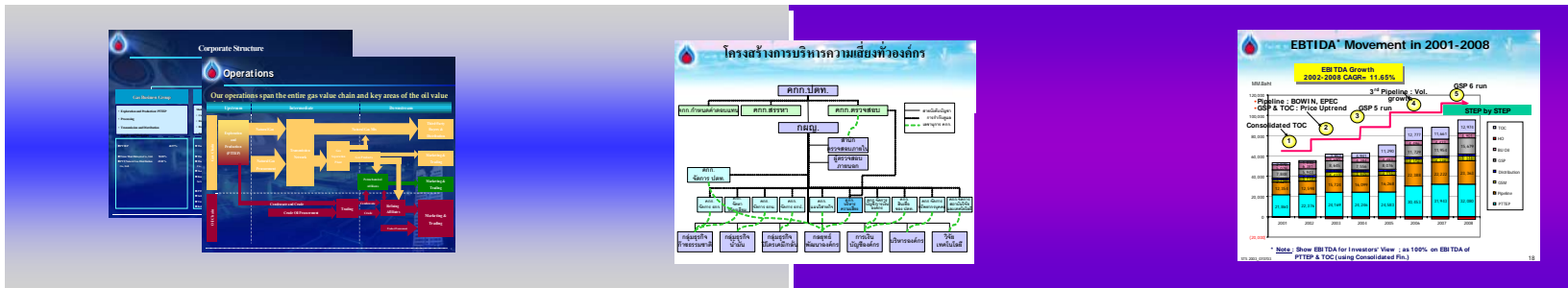
Risk Factor



Risk Management



Value Target



Projects Implementation

- Reduce resistance from public
- Project costs management

Customers Distribution

- Demand Supply Matching
- Negotiate with producers to solve problems
- Increase the capacity of pipeline network

Credit Risk

- Set criteria for lending
- Set Selling price and payment term
- Management on the follow up of payment over due

Operation

- Apply the international system of QSHE
 - ISO ISRS
 - Preventive Maintenance

Fluctuation of Baht

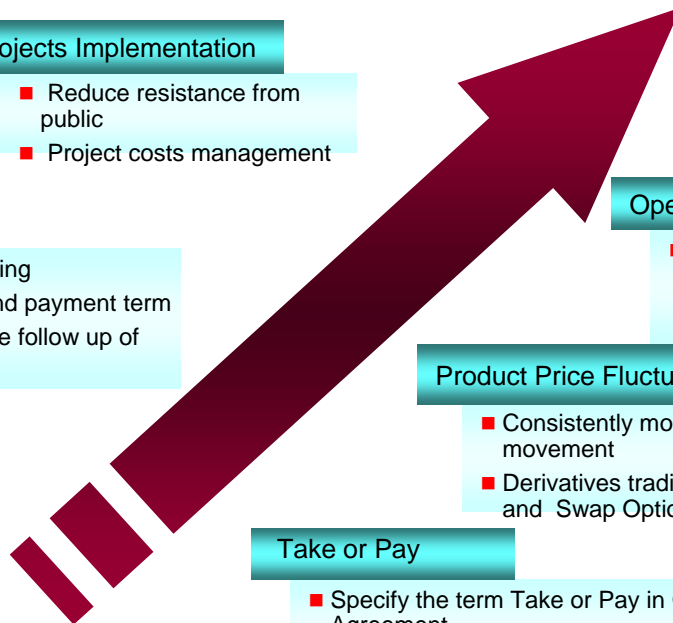
- Major loans are in Baht
- Currency matched between receivable and payable

Product Price Fluctuation

- Consistently monitoring the price movement
- Derivatives trading such as Forwards and Swap Option

Take or Pay

- Specify the term Take or Pay in Gas Sales Agreement
- Accelerate expansion of basic structure to be able to receive the amount of gas as specified



CRITICAL CHALLENGE: CORPORATE GOOD GOVERNANCE

Accountability

Equitable treatment

Vision to create Long-term value

Responsibility

Transparency

Ethic



Sound Business Decision

High Efficiency and Effectiveness